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FISCAL IMPACT REPORT

ORIGINAL DATE 2-6-06

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE MCKINLEY COUNTY FOOD DISTRIBUTION SB 617

ANALYST Hadwiger

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Non-Rec | Fund Affected |
|---------------|------|-------------------------|------------------|
| FY06 | FY07 | | |
| \$50.0 | | Recurring | General Fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 617 appropriates \$50 thousand from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) for expenditure in FY06 and FY07 for the collection and distribution of free or reduced-cost food and necessities to low-income residents of McKinley County. The bill contains an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY07 would revert to the general fund.

SIGNIFICANT ISSUES

DFA explained the need for these funds as follows. McKinley County is one of the poorest counties in the country. It has a population of 74,000 with approximately 36 percent at or below the poverty level, and 50 percent meeting the US Department of Agriculture definition of food insecurity. The Community Pantry serves approximately 2,000 families per week with an average of 15,000 pounds of produce. Eighty percent of their clients are Native American. Serving this population is particularly difficult/costly, because McKinley County is rural, and many of the people served are in remote locations. A vehicle distributing food can put on 30,000 miles in a year.

ADMINISTRATIVE IMPLICATIONS

DFA indicated these funds will be administered through LGD/DFA, which already has the staff and the knowledge to fund and monitor this project.

TECHNICAL ISSUES

HSD was concerned that the bill does not provide a definition of “reduced-cost food” or “necessities” or “low-income residents” and that the bill is specific to residents of McKinley County.

DH/nt